

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 12, 2002 LB 460

this particular bill. Otherwise, there would have been some people who would have been very stuck, and thank you, Senator Price, for making this possible. This particular amendment deals with one of the four traditional components of the reserve fund, and that component is generally described as the contingency fund, and the contingency fund is set out in a particular statute with regard to its uses and certain limitations on that particular fund. It's one of four components of the reserve fund, but it is used exclusively to cover losses of one type or another. Omaha and Lincoln and just nine other school districts put into that contingency fund component of the reserved...reserves their self-insured insurance money. Those districts are self-insured, and they put the money into this contingency fund, and it sits there. What this amendment would do is not eliminate the contingency fund, but it would take it outside of the reserve statute that we've just been describing, and the reason that it is fair to do that is because only 11 school districts of all the school districts have this self-insured program which causes them to fill a portion of this broader reserve fund. What would be fair is if the contingency fund is taken out so that all school districts are dealing with the three other components of the reserve fund and, more or less, on an equal kind of basis. So what the amendment does again is simply take the contingency fund portion of the reserve fund out of 79-1027 which contains the basic allowable reserve restriction.

SPEAKER KRISTENSEN: Senator Raikes.

SENATOR RAIKES: Thank you, Mr. President and members. The...I think Senator Beutler has very adequately and accurately described his amendment. It would, in effect, allow school districts that self-insure, allow them to be in a position where they don't have to use cash reserve funds to provide that contingency for their self-insurance purposes so I think this makes an equitable change in the arrangement, and, therefore, I would support it. Thank you.

SPEAKER KRISTENSEN: Further debate on the Beutler amendment? Seeing none, Senator Beutler, you're recognized to close. He waives that opportunity. The question before the body is the